



McGrathNicol

5 May 2021

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**SKB Australia Pty Ltd (Administrators Appointed) as trustee for KBS Family Trust trading as Darch
SUPA IGA
(SKB)**

Updated Circular to Creditors

We refer to:

- the appointment of Rob Brauer and I as Joint and Several Voluntary Administrators (**Administrators**) of SKB on 19 April 2021; and
- the Administrators' previous correspondence to creditors dated 23 April 2021.

The Administrators advise an application was made to the Supreme Court of Western Australia (**Court**) under section 439A of the Corporations Act 2001 (Cth) (**Act**) to extend the period in which to convene the second meeting of creditors of SKB to 13 July 2021 (**Extension**). I confirm the Court granted the Extension on 29 April 2021.

The Extension was sought to continue negotiations with interested parties in respect of the going concern sale and/or recapitalisation of SKB, including to consider a potential Deed of Company Arrangement.

The Administrators are required to issue a report prior to the second meeting of creditors, which will detail the affairs of SKB and advise the Administrators' recommendation as to the future of SKB. This report will be issued on or before 13 July 2021.

In addition to the Extension, and as set out in detail in the enclosed Court Order dated 29 April 2021, the Administrators provide notice that the Court also granted orders that:

- relate to arrangements agreed between the Administrators and Metcash in respect of stock-in-trade. The Court confirmed that the Administrators were justified in entering into the arrangements and made orders to ensure that the arrangements are legally effective. The arrangements will facilitate the continued trading of the business in administration.
- the Administrators are justified in treating and shall treat:
 - SKB as the continuing trustee of the KBS Family Trust; and
 - all assets of the KBS Family Trust, including the proceeds of assets realised by SKB in the course of the Administration as being subject to an indemnity in favour of SKB as to its power to exonerate the debts and liabilities of SKB.

2.04-210429-SKBAAUS01-Circular to Creditors-Convening Period (BL comments)

In association
with



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**ADVISORY
RESTRUCTURING**



If you require any further information, please contact Phoebe Donaldson on (08) 6363 7619.

Yours faithfully

SKB Australia Pty Ltd (Administrators Appointed)

Rob Kirman

Joint and Several Voluntary Administrator

Enclosure:

Copy of Court Orders dated 29 April 2021



IN THE SUPREME COURT OF WESTERN AUSTRALIA

COR/70/2021

EX PARTE:

Robert Michael KIRMAN as joint and several administrator of SKB AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) (ACN 150 748 093) -and-

First Plaintiff

Robert Conry BRAUER as joint and several administrator of SKB AUSTRALIA PTY LTD (ADMINISTRATORS APPOINTED) (ACN 150 748 093) -and-

Second Plaintiff

Robert Michael KIRMAN as joint and several liquidator of VILLANEX PTY LTD (IN LIQUIDATION) (ACN 142 594 358) -and-

Third Plaintiff

Robert Conry BRAUER as joint and several liquidator of VILLANEX PTY LTD (IN LIQUIDATION) (ACN 142 594 358) -and-

Fourth Plaintiff

Robert Michael KIRMAN as joint and several liquidator of MAINTEAM HOLDINGS PTY LTD (IN LIQUIDATION) (ACN 121 542 210) -and-

Fifth Plaintiff

Robert Conry BRAUER as joint and several liquidator of MAINTEAM HOLDINGS PTY LTD (IN LIQUIDATION) (ACN 121 542 210) -and-

Sixth Plaintiff

Robert Michael KIRMAN as joint and several liquidator of EVERMAZE PTY LTD (IN LIQUIDATION) (ACN 142 508 058) -and-

Seventh Plaintiff

Robert Conry BRAUER as joint and several liquidator of EVERMAZE PTY LTD (IN LIQUIDATION) (ACN 142 508 058)

Eighth Plaintiff

**ORDER OF MASTER SANDERSON
MADE 29 April 2021**

UPON THE EX PARTE APPLICATION of the plaintiffs by originating process filed 28 April 2021, AND UPON READING the affidavit of Robert Michael Kirman sworn 28 April 2021, AND UPON being determined on the papers, IT IS ORDERED THAT:

Extension of convening period

1. Pursuant to ss.439A(6) and 447A(1) of the Corporations Act 2001 (Cth) (Act):
 - (a) the period within which the meeting of creditors of SKB Australia Pty Ltd (Administrators Appointed) ACN 150 748 093 (SKB) pursuant to s.439A(1) of the Act must be convened be extended until 13 July 2021;
 - (b) the first and second plaintiffs have liberty to apply for a further extension of the period referred to in order 1 should the circumstances require; and
 - (c) notwithstanding section 439A(2) of the Act, the first and second plaintiffs may hold the meeting more than 5 business days before the conclusion of the period referred to in order 1, provided that at least 5 business days' notice of such meeting is given, in accordance with section 439A(3) of the Act.

Arrangements in respect of stock-in-trade

2. Pursuant to s.447A of the Act and s.90-15 of the Schedule, the first and second plaintiffs are justified in adopting the Metcash Arrangement (as defined in the Kirman Affidavit) with respect to the Metcash Pre-appointment Stock and the Metcash Post Appointment Stock (each as defined in the Kirman Affidavit) and may distribute the proceeds of the sale of the Metcash Pre-appointment Stock and the Metcash Post Appointment Stock in the following manner:
 - (a) in payment of the costs of the external administration of SKB, including to Metcash (as defined in the Kirman Affidavit) in satisfaction of SKB's liability in respect of the Metcash Post-appointment Stock; and
 - (b) otherwise in accordance with the Metcash Arrangement.
3. Pursuant to s.447A of the Act and s.90-15 of the Schedule, Part 5.3A of the Act is to operate in respect of the first and second plaintiff and in respect of SKB as if:
 - (a) section 442CC(1A) permitted the distribution of the proceeds of the sale of the Metcash Pre-appointment Stock and the Metcash Post-appointment Stock in the manner described in order 2 above; and
 - (b) section 443A(2) of the Act permitted the limitation of the first and second plaintiffs' personal liability to the extent required to give effect to the Metcash Arrangement.

Treatment of trading trusts

4. Pursuant to s.90-15 of the Schedule:
 - (a) the first and second plaintiffs, as voluntary administrators of SKB are justified in treating and shall treat:
 - (i) SKB as the continuing trustee of the KBS Family Trust (as defined in the Kirman Affidavit); and
 - (ii) all of the assets of the KBS Family Trust, including the proceeds of assets realised by the first and second plaintiffs in the course of the external administration of SKB as being subject to an indemnity in favour of SKB as to its power to exonerate the debts

and liabilities of SKB;

- (b) the third and fourth plaintiffs, as liquidators of Villanex Pty Ltd (In Liquidation) ACN 142 594 358 (Villanex), are justified in treating and shall treat:
 - (i) Villanex as the continuing trustee of the Villanex Trust (as defined in the Kirman Affidavit); and
 - (ii) all of the assets of the Villanex Trust, including the proceeds of assets realised by the third and fourth plaintiffs in the course of the external administration of Villanex as being subject to an indemnity in favour of Villanex as to its power to exonerate the debts and liabilities provable in the winding up;
- (c) the fifth and sixth plaintiffs, as liquidators of Mainteam Holdings Pty Ltd (In Liquidation) ACN 121 542 210 (Mainteam) are justified in treating and shall treat:
 - (i) Mainteam as the continuing trustee of the Redside Trust (as defined in the Kirman Affidavit); and
 - (ii) all of the assets of the Redside Trust, including the proceeds of assets realised by the fifth and sixth plaintiffs in the course of the external administration of Mainteam as being subject to an indemnity in favour of Mainteam as to its power to exonerate the debts and liabilities provable in the winding up; and
- (d) the seventh and eighth plaintiffs, as liquidators of Evermaze Pty Ltd (In Liquidation) (Evermaze) are justified in treating and shall treat:
 - (i) Evermaze as the continuing trustee of the Evermaze Trust (as defined in the Kirman Affidavit); and
 - (ii) all of the assets of the Evermaze Trust, including the proceeds of assets realised by the seventh and eighth plaintiffs in the course of the external administration of Evermaze as being subject to an indemnity in favour of Evermaze as to its power to exonerate the debts and liabilities provable in the winding up.

Other orders

- 5. The plaintiffs give notice of these orders to the Companies' (as defined in the Kirman Affidavit) known creditors by means of a circular, to be provided by post or email no later than 7 days after the date of these orders.
- 6. Any interested person be at liberty to apply within 21 days from the date of these orders to modify or discharge these orders.
- 7. The plaintiffs' costs of this application be paid from the assets of the Companies.

BY THE COURT

MASTER C SANDERSON